

20 August 2008

The Manager - Listings  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

*Via electronic lodgement*

Dear Sir,

**COPIES OF SLIDES FOR ANALYSTS' BRIEFING, SYDNEY**

Attached are copies of slides to be presented by Brambles' Chief Executive Officer, Mr Michael Ihlein, and Chief Financial Officer, Ms Liz Doherty, at an analyst briefing to be held in Sydney later today.

The slides and webcast of the briefing will be available on the Brambles' website at [www.brambles.com](http://www.brambles.com).

Yours faithfully  
**Brambles Limited**

**Robert Gerrard**  
Company Secretary

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**Brambles is globally headquartered in Australia**

# Brambles

2008 Final Results

20 August 2008



2008 Final Results

**Mike Ihlein**  
Chief Executive Officer

Brambles

## Solid year with success on growth initiatives

- Solid growth in sales and comparable operating profit
- CHEP – growth in all regions
- Recall - all regions doing well except North America
- Increasingly challenging economic environment
- Good progress on growth initiatives
- New Walmart supply chain model progressing
- New management team now in place

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## Strong foundations for growth



<b>Sales</b> ↑ 13% (6% constant)	<b>Operating profit<sup>1</sup></b> ↑ 12% (6% constant)	<b>Profit<sup>1</sup> margin</b> 24% Unchanged	<b>EPS</b> ↑ 18% (10% constant)
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- Sales up 13% to US\$4.4 billion
- Comparable operating profit up 12% to US\$1,047 million
- Margins maintained
- Comparable operating profit before the investment in quality (US\$21m) and costs of Walmart transition (US\$11m) up 16% to US\$1,078m (9% constant)
- EPS up 18% to 44.5 US cents
- Strong cash flow from operations US\$810 million
- BVA up US\$24 million to US\$516 million
- Final dividend of 17.5 Australian cents. Total annual dividend +13%

<sup>1</sup> Comparable operating profit

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## Americas – Solid result, significant wins



### Pallet Volume

↑ 4%  
(USA ↑ 2%)

### Sales

↑ 10%  
(8% constant)

### Operating profit

↑ 7%  
(5% constant)

### Profit margin

29%  
Unchanged

- Solid growth in Americas +4%
- USA reported volume +2% - slowing economy, weaker second half
  - +4% pre loss of low margin non-FMCG customer
- Strong growth in Latin America and Canada
- Net new customer wins in USA underpin future growth
  - > 400 new accounts (annualised sales > US\$100m)
  - FY08 net new business impact sales +US\$17m
  - Tyson Foods – largest win for years
- Stable margins even after Quality Investment (US\$21m) and Walmart (US\$11m)
- Operating profit up 12% (constant currency) before Quality and Walmart
- Key customers positive on quality improvements

## Walmart – developing a supply chain solution



- Working closely with Walmart
- A number of parties involved
- Confident – despite longer time frame
- Best overall supply chain solution
- Cost neutral outcome expected on ongoing basis
- One time transition costs
  - FY08 US\$11m
  - FY09 approx. US\$30m

## EMEA – Improved operating performance

Pallet Volume	Sales	Operating profit	Profit margin
↑ 4% (Europe ↑ 3%)	↑ 13% (4% constant)	↑ 18% (9% constant)	24% (+1pp)

- 4% pallet volume growth – across all platforms
  - Pallets ↑, Auto ↑, RPC recovering
- Strong sales pipeline for customer wins
  - >2,000 new customer contracts (annualised sales > US\$80m)
  - FY08 net new business impact sales +US\$11m
  - Beverages, food, transporters, DIY
- Strong cost management via network efficiencies
- Customer initiatives – TEM, Managed Recovery
- Good progress in Germany and Poland
- Africa performed well

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## Asia-Pacific – Strong growth prospects

Pallet Volume	Sales	Operating profit	Profit margin
↑ 3%	↑ 20% (5% constant)	↑ 10% (-5% constant)	25% (-2pp)

- Solid sales growth
- Solid pallet revenue growth in Australia
- Good progress in China and India
  - China customer wins
  - India - First shipments to customers in June
  - US\$13m of operating cost in China and India this year
  - US\$52m investment in China and India to date (capex and operating cost)

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## Good organic growth - work to do on costs *recall*<sup>™</sup>

Carton Volume

↑ 8%

Sales

↑ 15%  
(7% constant)

Operating profit

↑ 8%  
(-2% constant)

Profit margin

17%  
(-1pp)

- Good growth in all regions, mainly Document Management Solutions and new customer wins
  - Europe and Asia double-digit sales growth
  - ANZ - competitive but winning
- Winning new customers – all regions
  - Good progress on Bank of America account – 1m + cartons at June 2008
- North America sales good but profit disappointing
  - 2H08 slower than expected
  - Higher costs
  - Focus on cost efficiency and business excellence
- All other regions delivered profit growth

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## Growth initiatives progressing well



- Wins in many key areas
  - ✓ USA – food service
  - ✓ USA – beverages
  - ✓ Germany
  - ✓ Poland
  - ✓ China
  - ✓ India
- Approximately US\$35m invested so far

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- Beverages (USA)
  - Non-carbonated beverage producer and alcohol producer converted from 'white wood' to CHEP
  - Value chain analysis for existing and potential customers
  - Discussions with other producers (alcohol and non-alcohol)
- Food service (USA)
  - Considerable success, business expected to expand significantly – Tyson, Sysco advocacy
- Opportunities in other segments in USA
  - Private label, office products, produce

- Germany
  - Strong pipeline – confident of lift in growth
  - Encouraging discussions with major retailers
  - Value chain analysis underpins customer prospecting
  - Country manager appointed, sales resources being added
- Poland
  - New contracts signed, others in negotiation – especially food and beverage
  - Country manager appointed, sales resources being added
- Advanced discussions with several pan European FMCG manufacturers
- Focus on automotive industry

### China and India – customer wins increasing

- China wins include:
  - Pearl River Breweries
  - Nongfu Mineral Waters
  - ChangAn Ford Mazda
- Team of 100 in place in China and India to drive and support growth
- Long term growth prospects confirmed
- US\$52m investment to date (capex and operating cost)

## Quality and innovation in USA Early positive results

- CHEP USA on track to invest US\$100m over 2 years
- Initially 50% opex and 50% capex
- Likely to be higher percentage in opex
  - Fastest way to meet customer needs
- US\$25m<sup>1</sup> spent in FY08
  - Service Centre based Plant Quality Representatives – 56 in place
  - Repairing higher % to higher standard
  - Automated Digital Inspection equipment – 5 installed to date
  - Blue Step Pallet during 2009

<sup>1</sup> US\$21m operational expenditure and US\$4m capital expenditure

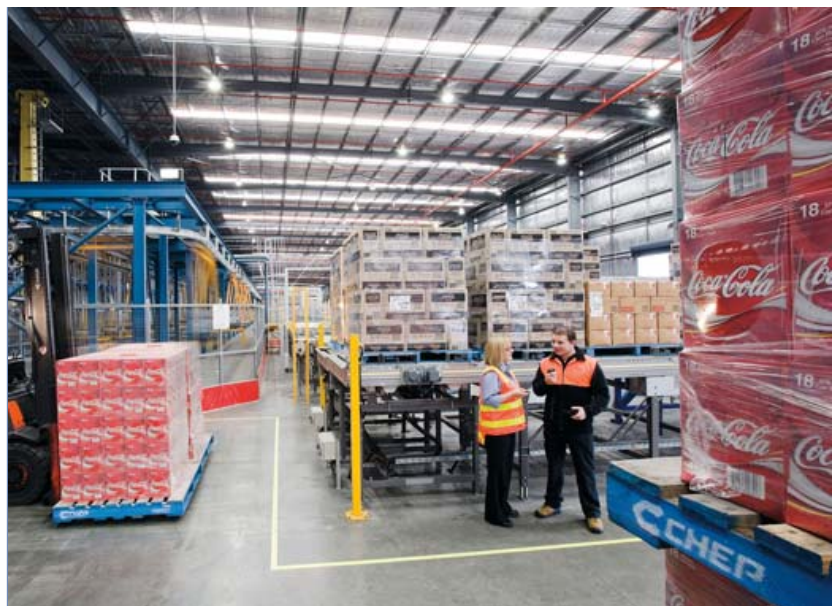


- LeanLogistics
  - Transport Management Services (TMS) offer in place
  - Freight Optimisation Service under development
- RFID as a CHEP service
  - High interest in “Track & Trace” solution
  - CHEP uniquely place
  - CHEP expanding capabilities

## Brambles

2008 Final Results

20 August 2008



## 2008 Final Results

**Liz Doherty**  
Chief Financial Officer

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## 2008 Final Results

AIFRS	Actual	Constant		Growth %
	FY08 US\$m	FY08 US\$m	FY07 US\$m	
<b>Continuing operations</b>				
Sales revenue	<b>4,358.6</b>	4,089.7	3,868.8	6
Comparable operating profit before quality and Walmart	<b>1,078.4</b>	1,017.7	932.8	9
Comparable operating profit	<b>1,046.9</b>	986.2	932.8	6
PBT	<b>897.4</b>	837.4	872.9	(4)
PAT	<b>626.5</b>	584.6	585.7	-
EPS (cents)	<b>44.5</b>	41.5	37.8	10
Cash flow from operations	<b>810.0</b>		838.3	
BVA (June 07 rates)	<b>516</b>		492	US\$24m
ROCI	<b>24%</b>		25%	

Growth % calculated on US\$ constant currency basis

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## Solid sales growth

AIFRS	Actual	Constant		Growth %
	FY08 US\$m	FY08 US\$m	FY07 US\$m	
CHEP Americas	1,581.3	1,547.5	1,438.2	8
CHEP EMEA	1,642.1	1,509.4	1,457.4	4
CHEP Asia-Pacific	386.9	339.8	322.8	5
<b>CHEP</b>	<b>3,610.3</b>	<b>3,396.7</b>	<b>3,218.4</b>	<b>6</b>
<b>Recall</b>	<b>748.3</b>	<b>693.0</b>	<b>650.4</b>	<b>7</b>
<b>Continuing operations</b>	<b>4,358.6</b>	<b>4,089.7</b>	<b>3,868.8</b>	<b>6</b>
Discontinued operations	-	-	252.1	
<b>Total</b>	<b>4,358.6</b>	<b>4,089.7</b>	<b>4,120.9</b>	

Growth % calculated on US\$ constant currency basis

## Comparable operating profit growth

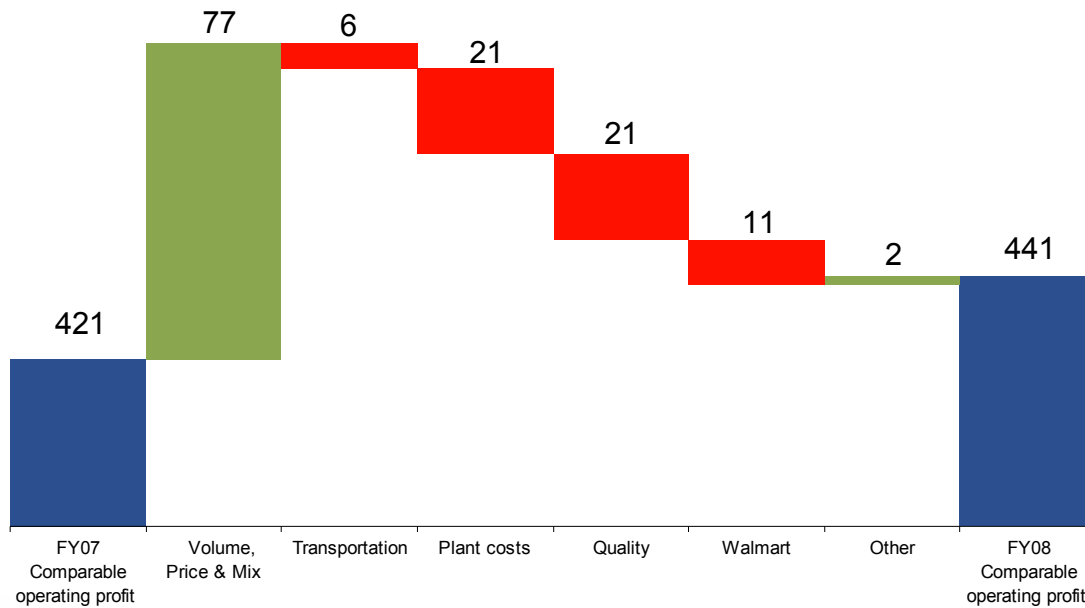
AIFRS	Actual	Constant		Growth %
	FY08 US\$m	FY08 US\$m	FY07 US\$m	
CHEP Americas	452.8	441.0	421.3	5
CHEP EMEA	396.5	368.0	336.5	9
CHEP Asia-Pacific	95.9	83.4	87.4	(5)
<b>CHEP</b>	<b>945.2</b>	<b>892.4</b>	<b>845.2</b>	<b>6</b>
<b>Recall</b>	<b>128.4</b>	<b>116.1</b>	<b>118.5</b>	<b>(2)</b>
<b>Continuing (pre Brambles HQ)</b>	<b>1,073.6</b>	<b>1,008.5</b>	<b>963.7</b>	<b>5</b>
Unallocated Brambles HQ costs	(26.7)	(22.3)	(30.9)	28
<b>Continuing operations</b>	<b>1,046.9</b>	<b>986.2</b>	<b>932.8</b>	<b>6</b>
Discontinued operations	-	-	40.6	
<b>Total</b>	<b>1,046.9</b>	<b>986.2</b>	<b>973.4</b>	

Growth % calculated on US\$ constant currency basis

# Americas – Volume / mix improvement



US\$m

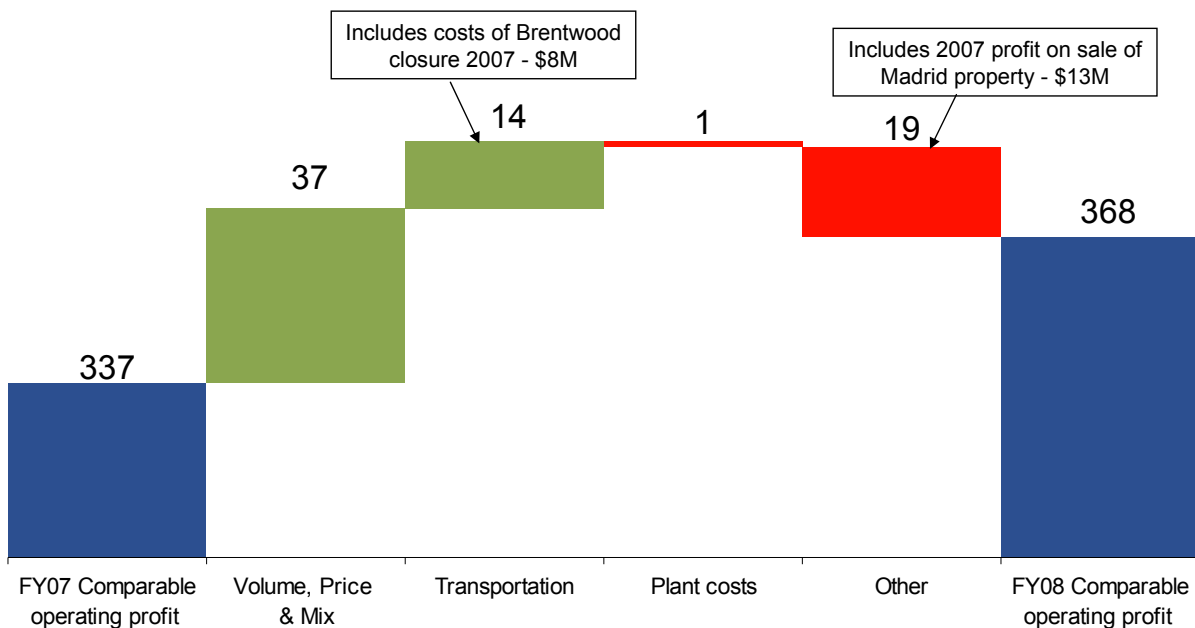


All numbers are calculated at constant currency

# EMEA – Continuing improvement



US\$m

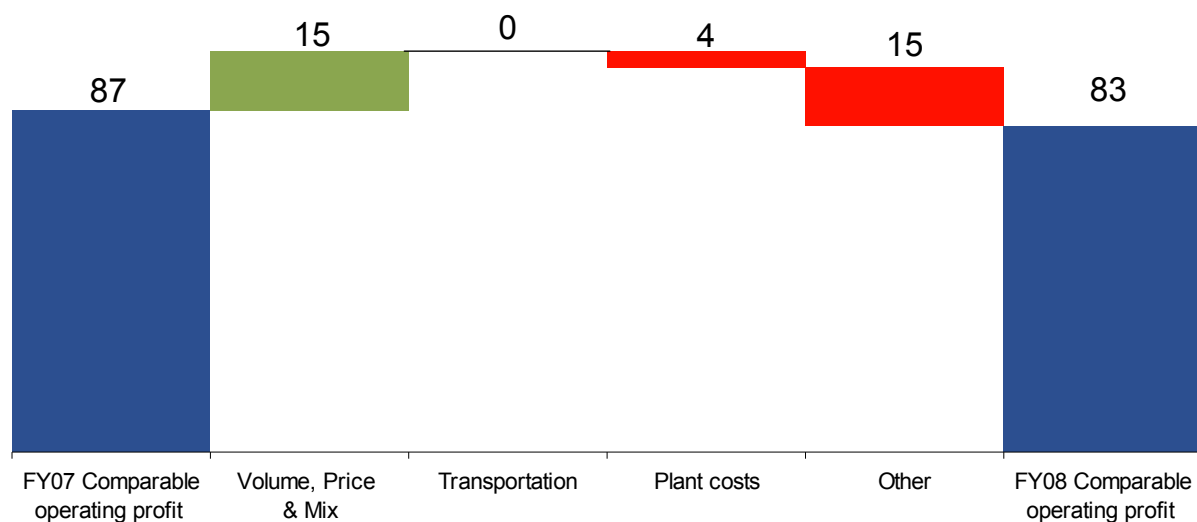


All numbers are calculated at constant currency

## Asia Pacific – Investment for growth



US\$m



All numbers are calculated at constant currency

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## Good sales growth in all regions

recall™

AIFRS	Actual	Constant		Growth %
	FY08 US\$m	FY08 US\$m	FY07 US\$m	
Americas	333.3	321.9	307.7	5
Europe	202.2	183.1	167.1	10
RoW	212.8	188.0	175.6	7
<b>Sales revenue</b>	<b>748.3</b>	<b>693.0</b>	<b>650.4</b>	<b>7</b>
Comparable operating profit	128.4	116.1	118.5	(2)
Profit margin (%)	17	17	18	

Growth % calculated on US\$ constant currency basis

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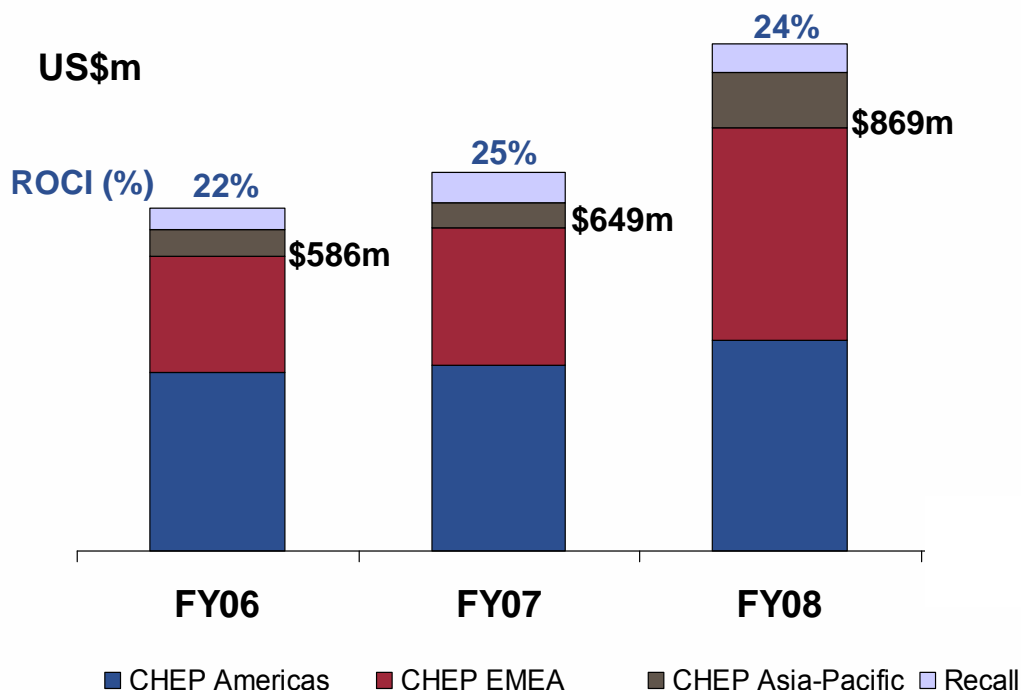
## Strong cash flow generation

AIFRS	Actual		
	FY08 US\$m	FY07 US\$m	Change US\$m
Comparable operating profit	1,046.9	932.8	114.1
Depreciation and amortisation	452.1	398.3	53.8
<b>EBITDA</b>	<b>1,499.0</b>	1,331.1	167.9
Capital expenditure	(869.4)	(648.5)	(220.9)
Proceeds from disposals	133.8	128.3	5.5
Working capital movement	41.4	(8.7)	50.1
Irrecoverable pooling equipment provision	91.2	90.2	1.0
Provisions / Other	(86.0)	(54.1)	(31.9)
<b>Cash flow from continuing operations</b>	<b>810.0</b>	838.3	(28.3)
Discontinued operations	-	37.2	(37.2)
Special items	(27.7)	(149.0)	121.3
<b>Cash flow from operations after special items</b>	<b>782.3</b>	726.5	55.8
Financing costs and tax	(369.7)	(236.3)	(133.4)
<b>Free cash flow</b>	<b>412.6</b>	490.2	(77.6)

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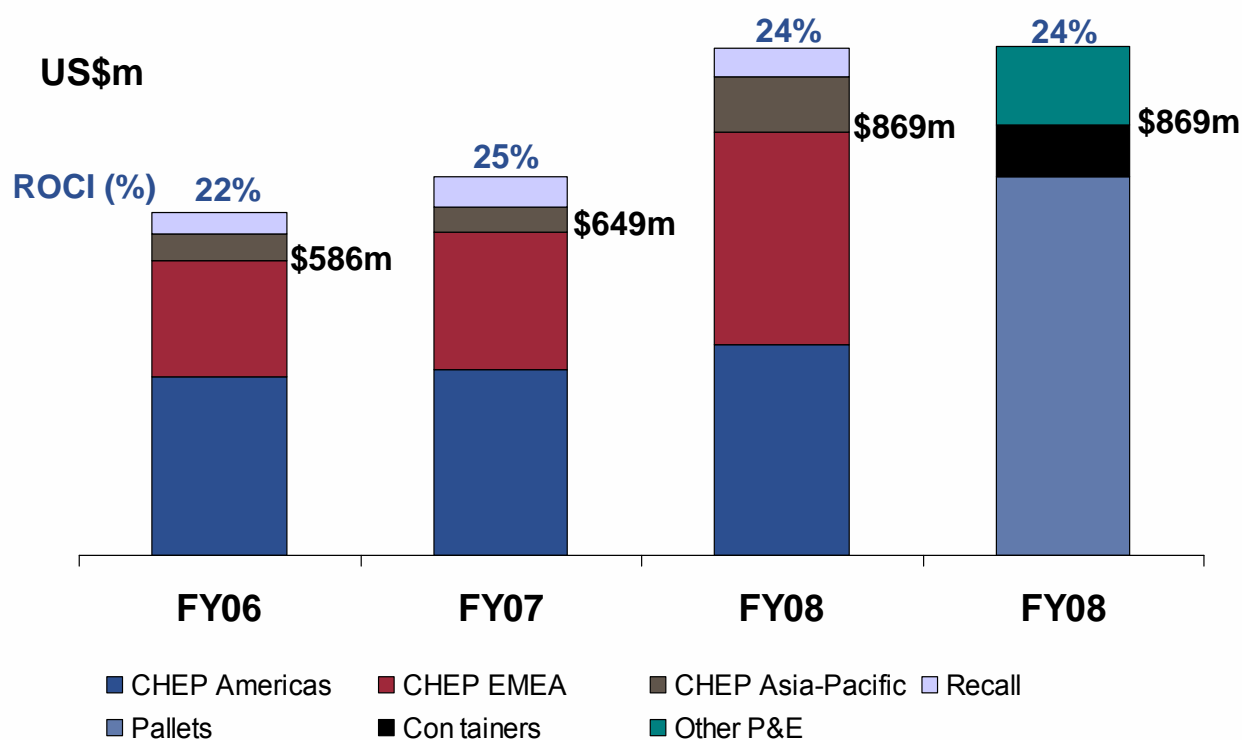
## Capital expenditure to support growth



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## Capital expenditure to support growth



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## Brambles Value Added

AIFRS, June 07 rates	FY08 US\$m	FY07 US\$m	Growth US\$m
CHEP Americas	269	263	6
CHEP EMEA	200	176	24
CHEP Asia-Pacific	55	60	(5)
<b>CHEP</b>	<b>524</b>	<b>499</b>	<b>25</b>
Recall	6	16	(10)
<b>Continuing (pre Brambles HQ)</b>	<b>530</b>	<b>515</b>	<b>15</b>
Unallocated Brambles HQ costs	(14)	(23)	9
<b>Continuing operations</b>	<b>516</b>	<b>492</b>	<b>24</b>

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## Effective tax rate

AIFRS	Actual FY08 US\$m	Actual FY07 US\$m
PBT	897.4	872.9
Tax	270.9	287.2
<b>Effective tax rate % of PBT</b>	<b>30.2%</b>	<b>32.9%</b>
Adjustment for non-recurring items	2.9%	1.2%
<b>Underlying effective tax rate</b>	<b>33.1%</b>	<b>34.1%</b>

## Financial ratios

AIFRS, Actual rates	June 08	June 07	Covenants
<b>Closing Net Debt (US\$m)</b>	<b>2,426.2</b>	<b>1,996.9</b>	
<b>Average Net Debt (US\$m)</b>	<b>2,173.5</b>	<b>895.9</b>	
<b>Net Finance Cost (US\$m)</b>	<b>149.5</b>	<b>59.9</b>	
Interest cover (x)			
• Comparable operating profit	<b>7.0</b>	<b>16.3</b>	
• EBITDA	<b>10.0</b>	<b>22.9</b>	x 3.5 (min)
<b>Net Debt / EBITDA (x)</b>	<b>1.6</b>	<b>1.5</b>	x 3.5 (max)
<b>Gearing (%)</b> (Net Debt/Net Debt & Equity)	<b>61.1</b>	<b>58.4</b>	

**Ratios remain consistent with a solid investment grade credit rating**



## Credit facilities and liquidity

- Gross debt at 30 June 2008 - \$2.5bn
- Total committed facilities - \$4.1bn
  - Includes \$0.2bn 3 year facility signed since 30 June 2008
- \$3.0bn of bank facilities due for renewal in over 2 years (November 2010)
  - to be addressed as part of ongoing refinancing
- On-market buy-back programme suspended

## Outlook

- Another year of sales revenue and profit growth in 2009
  - Sales revenue growth in all business units
  - Profit growth in all business units except Asia-Pacific due to China/ India
- Excellent progress in growth initiatives
- FMCG sector generally less volatile
- More difficult consumer environment has potential to dampen organic growth in short term
- Confident of Walmart agreement but will have non-recurring transition costs
- Brambles well positioned for medium to long term growth

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*This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.*

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# Brambles

2008 Final Results

20 August 2008



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### Appendix 1a

## Glossary of terms & measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

<b>Sales revenue</b>	Excludes revenues of associates and non trading revenue.
<b>Comparable operating profit</b>	Profit before finance costs, tax and special items. Includes PAT of associates.
<b>PBT</b>	Profit before tax and special items. Includes PAT of associates.
<b>PAT</b>	Profit after tax before special items, and minority interests.
<b>EPS</b>	Profit after tax, minority interests and special items, divided by shares in issue.
<b>DPS</b>	Dividends declared in the period divided by shares in issue.
<b>Shares in issue</b>	Based on weighted average shares in issue of 1,409.2m in FY08; 1,548.3m in FY07.
<b>Constant currency</b>	Translation of both current period and comparable period results into US dollars at the actual monthly exchange rates applicable for the comparable period.

## Glossary of terms & measures

Except where noted, common terms and measures used in this document are based upon the following definitions:

<b>Actual rates</b>	Based upon conversion of local currency into US dollars using the average of the difference between buy and sell rates applicable at each month end.
<b>Continuing operations</b>	Refers to CHEP, Recall and Brambles HQ.
<b>Discontinued operations</b>	All businesses which have been or are expected to be divested.
<b>Unallocated Brambles HQ costs</b>	Head office costs which are not allocated back to the divisions. These are excluded from the segmental analyses.
<b>Associates</b>	50% or less equity, minimum 20%.
<b>Special items</b>	Special items comprise impairments, exceptional items, fair value adjustments and amortisation of acquired non-goodwill intangible assets (other than software). Exceptional items are items of income or expense which are considered to be outside the ordinary course of business and are, either individually or in aggregate, material to Brambles or to the relevant business segment.
<b>Unification</b>	Refers to the acquisition by Brambles Limited of all Brambles Industries Limited and Brambles Industries plc shares under separate schemes of arrangement on 4 December 2006.

## Glossary of terms & measures

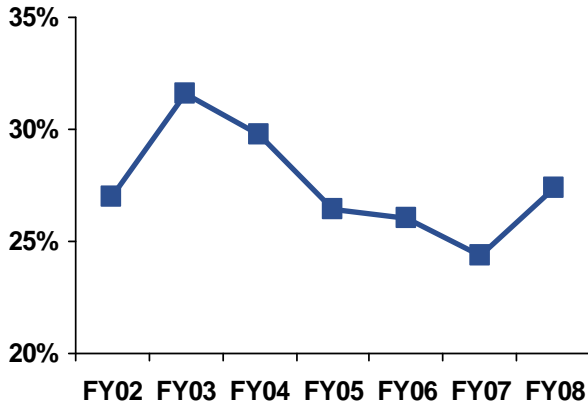
Except where noted, common terms and measures used in this document are based upon the following definitions:

<b>Cash flow from operations</b>	Cash flow generated after net capital expenditure and before special items
<b>Free Cash Flow (FCF)</b>	Cash flow generated after net capital expenditure, finance costs and taxation but excluding the net cost of acquisitions and proceeds from business disposals.
<b>BVA</b>	Brambles Value Added, calculated in US\$ AIFRS as comparable operating profit – (12% x Average capital invested) at June 2007 exchange rates .
<b>Average capital invested</b>	Calculated as a 12 month average. Capital invested is calculated as net assets before tax balances, cash and borrowings, but after adding back accumulated pre-tax special items (excluding those associated with the restructuring, Unification and divestment program). Semi-annual average capital invested calculated as a 6 month average.
<b>ROCI</b>	Calculated as comparable operating profit divided by average capital invested.
<b>Capital expenditure (capex)</b>	On a cash flow basis. Unless otherwise stated, excludes intangible assets, investments in associates and equity acquisitions and is shown gross of any fixed asset disposals proceeds.



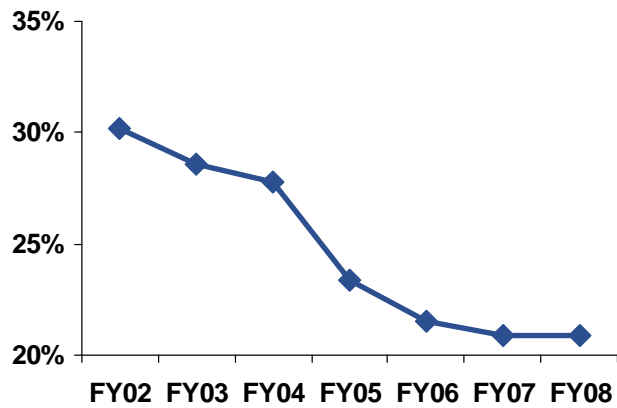
**Plant cost ratio**

(Plant costs / Sales)



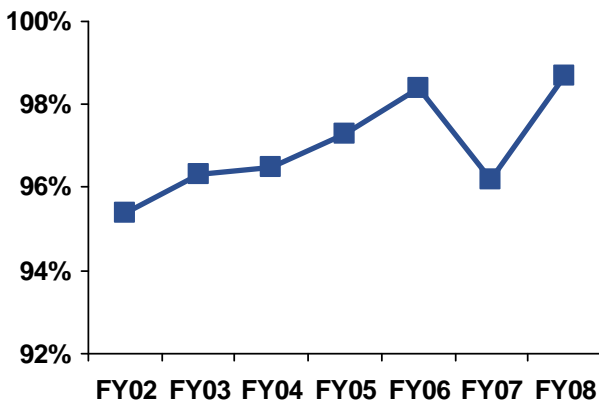
**Transportation cost ratio**

(Transportation costs / Sales)



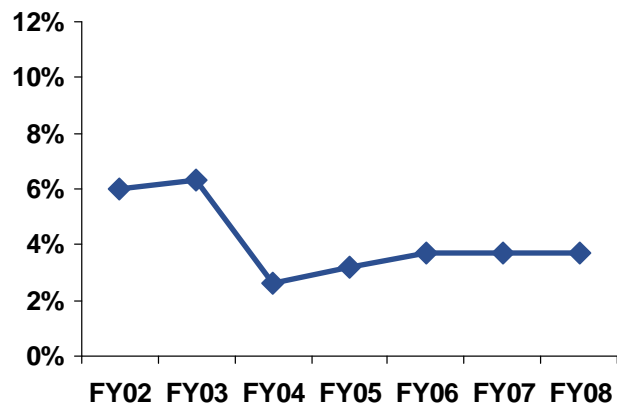
**Control ratio**

(Returns + Recoveries / Total Issues)



**New equipment issue ratio**

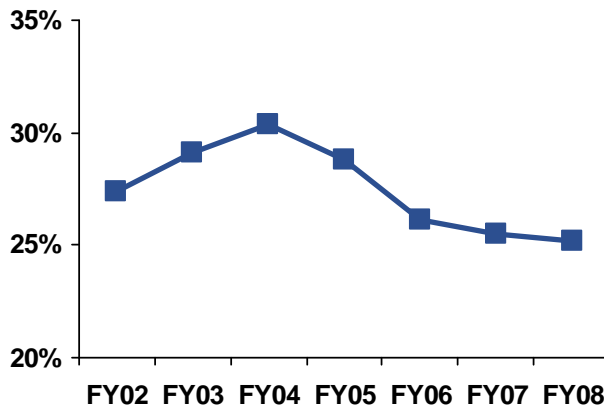
(Pallets purchased / Total issues)





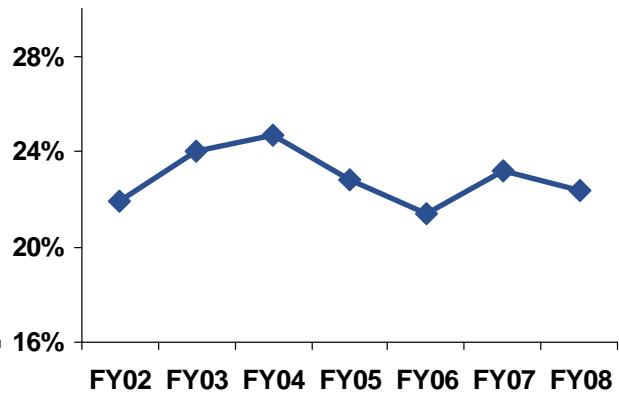
**Plant cost ratio**

(Plant costs / Sales)



**Transportation cost ratio**

(Transportation costs / Sales)

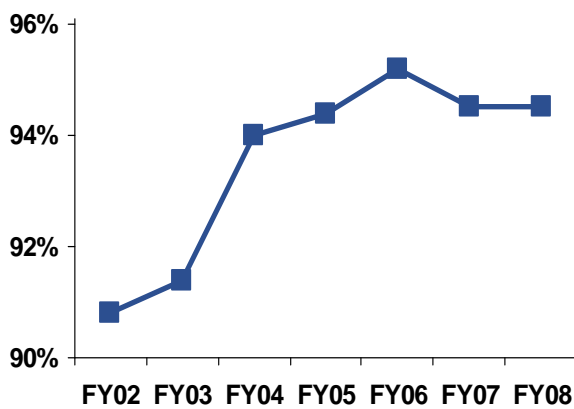


Major pallet sizes (B1210A and B1208A only)



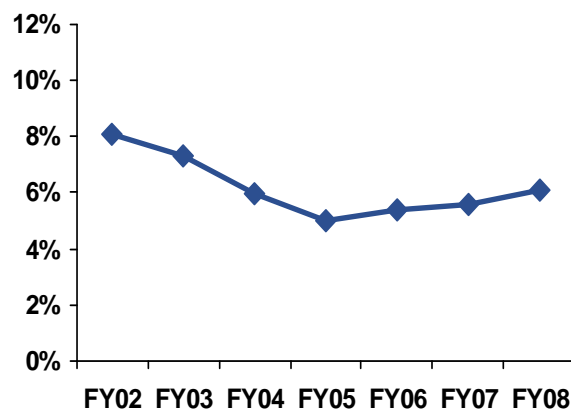
**Control ratio**

(Returns + Recoveries / Total Issues)



**New equipment issue ratio**

(Pallets purchased / Total issues)



Major pallet sizes (B1210A and B1208A only)

US\$m, AIFRS	Total	FY08 Currency mix at Actual FX rates				
		USD	EUR	GBP	AUD	Other
Continuing operations sales revenue	<b>4,358.6</b>	1,417.0	1,160.3	494.6	510.8	775.9
Continuing operations comparable operating profit	<b>1,046.9</b>	331.4	249.1	125.7	115.4	225.3
Net Debt <sup>1</sup>	<b>2,426.2</b>	1,542.8	40.7	74.8	573.1	194.8

<sup>1</sup> Net debt shown after adjustments for impact of financial derivatives

## US\$ billion

Maturity	Type	Committed Facilities	Debt drawn	Headroom
< 12 months	Bank	0.5	0.1	0.4
1 – 2 years	-	-	-	-
2 – 3 years	Bank	3.0	1.9	1.1
3 – 4 years	USPP <sup>1,2</sup>	0.2	0.2	-
4 – 5 years	Bank	0.2	0.1	0.1
> 5 years	USPP <sup>1</sup>	0.2	0.2	-
	<b>Total</b>	<b>4.1</b>	<b>2.5</b>	<b>1.6</b>

<sup>1</sup> US Private Placement

<sup>2</sup> Includes new credit facility subsequent to balance date